

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A CERTIFICATION OF THE CARRIERS	)	
RECEIVING FEDERAL UNIVERSAL	)	ADMINISTRATIVE
SERVICE HIGH-COST SUPPORT	)	CASE NO. 381

O R D E R

On September 27, 2002, the Commission entered an Order pursuant to the Federal Communications Commission ("FCC") rules certifying that carriers<sup>1</sup> in Kentucky plan to use their "forward looking" high-cost support for authorized purposes for the calendar year 2003.<sup>2</sup> 47 C.F.R. Sections 54.313 and 54.314 require states to ensure that carriers use the federal high-cost support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Also, states must ensure that federal support is being applied in a manner consistent with Section 254 of the Telecommunications Act of 1996.<sup>3</sup> Certification must occur by October 1 prior to the year for which support is rendered.

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<sup>1</sup> Carriers are, in this context, defined as rural and non-rural incumbent local exchange carriers and eligible telecommunications carriers serving lines in the service area of a rural or non-rural incumbent local exchange carrier and receiving support pursuant to 47 C.F.R. Section 54.309 (Calculation and Distribution of Forward-Looking Support for Non-Rural Carriers), 47 C.F.R. Section 54.311 (Interim Hold-Harmless Support for Non-Rural Carriers), and 47 C.F.R. Section 54.314 (State Certification of Support for Rural Carriers).

<sup>2</sup> Federal-State Joint Board on Universal Service Ninth Report and Order and Eighteenth Order on Reconsideration ("Ninth Report and Order"), CC Docket Number 99-45; FCC 99-306, released November 2, 1999, Appendix C, Section 54.313; and Administrative Case No. 381 Orders dated March 24, 2000, September 29, 2000 and September 25, 2001.

<sup>3</sup> Ninth Report and Order at Paragraphs 93-110.

On August 20, 2002, BellSouth provided the Commission with information regarding the use of federal universal support. It also agreed to supplement the filing in the future if additional funds were received by BellSouth. On July 18, 2003, BellSouth notified the Commission that it now estimates that it will receive an additional \$1.1 million of federal support in 2003. In accordance with the state certification process specified in 47 C.F.R. Section 54.313, BellSouth will offset the additional support by initiating three construction projects totaling approximately \$1.271 million.

The Commission finds that the projects proposed by BellSouth are in accordance with 47 U.S.C. Section 254(e) and state law. BellSouth proposes to use its universal service support to upgrade facilities to ensure rural services are reasonably comparable to urban services and to continue to use its federal support to maintain its current rates as allowed by the FCC.<sup>4</sup>

IT IS THEREFORE ORDERED that:

1. The proposal by BellSouth is hereby certified as complying with the FCC's criteria and, accordingly, BellSouth is deemed eligible to receive federal universal service fund support.
2. A copy of this Order shall be served upon the FCC and the Universal Service Administrative Company.

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<sup>4</sup> Ninth Report and Order, ¶ 106.

Done at Frankfort, Kentucky, this 18<sup>th</sup> day of August, 2003.

By the Commission

ATTEST:

  
Executive Director

Administrative Case No. 381